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Request for Information Regarding Lifetime Income Options for Participants and Beneficiaries in Retirement Plans

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Request for Information Regarding Lifetime Income Options

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General Comment

First, annuities are a great idea in theory, but the related fees payable are typically outrageous. How much of your money actually goes to work for you?

Second, there are few guarantees that the financial institution issuing the annuity will remain a viable financial institution and stand behind its product. What has happened to the US financial sector in recent years?

Third, it should be made clear that once the purchase of the annuity dies, nothing remains for the heirs, in most cases.

Annuities are a win-win for the issuer - it gets a lump sum upfront, takes sizable fees that never go to work for the purchaser, and retains any remaining funds once the purchaser dies. Great deal!

What does the purchaser get? A monthly income stream for life (or whatever period selected), if the issuer does not go bankrupt. And, who wants to take that gamble today?